

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: BKY 19-40658
Chapter 7
Scheherazade, Inc.

Debtor.

**NOTICE OF HEARING AND MOTION OBJECTING TO CLAIM OF
MAXINE JEFFRIS**

TO: The claimant and other entities specified in Local Rules 9013-3(a) and 3007-1:

1. Nauni Manty, the chapter 7 trustee of the bankruptcy estate of the debtor, moves the court for the relief requested below and gives notice of hearing.

2. The court will hold a hearing on this motion on **Wednesday, May 6, 2020, at 9:30 a.m.**, before the Honorable Kathleen H. Sanberg, in Courtroom No. 8 West, at the United States Courthouse, at 300 South Fourth Street, in Minneapolis, Minnesota 55415.

3. Any response to this motion must be filed and served not later than **Friday, May 1, 2020**, which is five days before the time set for the hearing (including Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, Fed. R. Bankr. P. 5005 and Local Rule 1070-1. The petition commencing this chapter 7 case was filed on March 10, 2019. This proceeding is a core proceeding. This case is now pending before this court.

5. This motion arises under 11 U.S.C. §§ 502, Fed. R. Bankr. P. 3007, 9013 and 9014 and Local Rules 3007-1, 9006-1, 9013-1 and 9013-3.

6. Maxine Jeffris filed a claim in the amount of \$450 as general unsecured, \$450 as secured and \$900 as priority. *See* Claim No. 48. A copy of the claim is attached as Exhibit A. The claim arises out of the sale of the consignment jewelry sold by the debtor, pre-petition, along with one item that the debtor still had in its possession on the petition date.

7. The first item sold prepetition was a Cameo Ring, which the debtor sold for \$250, of which \$150 is due to Ms. Jeffris. *See* Exhibit A. The second item sold was a vintage ring which the debtor sold for \$500, of which \$300 is due to Ms. Jeffris. The trustee does not object to a claim in the total amount of \$450, related to these items. \$450 is the net amount due to Ms. Jeffris from the sales.

8. Claim No. 48 includes a third item, a 14 kg pearl and diamond ring, that was still in the debtor's possession on the petition date. The trustee returned this item to Ms. Jeffris, after her proof of claim was filed. Attached as Exhibit B is a receipt reflecting the return. Accordingly, this item should be removed from Claim No. 48.

9. The trustee requests that Claim No. 48 be reduced to \$450, the net value of the proceeds due to Ms. Jeffris from the sale of the cameo ring and vintage ring.

WHEREFORE, the trustee requests that the objection to the claim of Maxine Jeffris be sustained and the claim be reduced to \$450.

MANTY & ASSOCIATES, P.A.

Dated: April 2, 2020

/e/ Mary F. Sieling

Nauni Manty (#230352)

Mary F. Sieling (#389893)

401 Second Avenue North, Suite 400

Minneapolis, MN 55401

Phone: (612) 465-0990

Email: mary@mantylaw.com

Attorneys for the Chapter 7 Trustee

Fill in this information to identify the case:

Debtor 1 Scheherazade, Inc.

Debtor 2
(Spouse, if filing) _____

United States Bankruptcy Court for the: _____ District of Minnesota

Case number 19-40658-KHS

Send original to:

U.S. Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

RECEIVED

19 APR -5 AM 9:38
U.S. BANKRUPTCY COURT
MINNEAPOLIS, MN

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?

Madeline Jeffris
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?

☒ No

☐ Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?

Federal Rule of
Bankruptcy Procedure
(FRBP) 2002(g)

Where should notices to the creditor be sent?

Madeline Jeffris
Name
6629 Logan Ave. So.
Number Street
Richfield MN 55423
City State ZIP Code

Contact phone 612-868-5497

Contact email madinejeff@outlook.com

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

Where should payments to the creditor be sent? (if different)

Name

Number Street

City State ZIP Code

Contact phone _____

Contact email _____

4. Does this claim amend one already filed?

☒ No

☐ Yes. Claim number on court claims registry (if known) _____

Filed on _____
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?

☒ No

☐ Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☐ No ☒ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 3 4 1 2

7. How much is the claim? \$ 450.00 (+) Does this amount include interest or other charges?
+ \$500 for ring unsold/held in stock ☒ No ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.

Goods sold - two rings
+ 1 held in stock

9. Is all or part of the claim secured? ☐ No ☒ Yes. The claim is secured by a lien on property.

Nature of property:

☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☒ Other. Describe:

2 rings sold
(plus one being held in stock)

Basis for perfection:

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ 950.00

Amount of the claim that is secured: \$ 450.00

Amount of the claim that is unsecured: \$ 500.00 (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ 950.00

Annual Interest Rate (when case was filed) _____ %

☐ Fixed

☐ Variable

10. Is this claim based on a lease? ☒ No ☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No ☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☐ No

☒ Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☒ Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ 950.00

☐ Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/2019 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 3 29 2019
MM / DD / YYYY

Maxine Jeffris
Signature

Print the name of the person who is completing and signing this claim:

Name Maxine Kay Jeffris
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 6629 Logan Ave. So.
Number Street

Richfield MN 55423
City State ZIP Code

Contact phone 612-868-5497 Email maxinejeff@outlook.com

Scheherazade Consignment Merchandise Form

Consignor Information:

Name: Maxine Jeffris Phone(s): 612-868-5497Address: 1629 Logan Ave S. Richfield MN 55423

Email: _____ Other Contact Information: _____

Description of Consigned Item per Consignor (One item per Form): Cameo Ring
ycValue of Consigned Item per Consignor (what is item insured for?): N/A

Consignment Program Terms:

1. Consignor (hereafter referred to as You) agree to leave your item on consignment for a minimum of 6 months. Also, this item will not be cross-marketed (i.e. eBay), etc. by the consignor or an agent during this time period.

2. You will receive 60% of the price for which the item is sold, & Scheherazade will receive 40%.

NOTE: Scheherazade has a 90 day waiting period between the sale of your item & payment to the consignor. Your share of the selling price will be paid approximately 91 days after the day of the sale.

3. For the item covered by this Agreement, you have authorized a Tag/Selling price of \$ 500

Customer: \$ 300 Scheherazade: \$ 200

If Scheherazade receives an offer for your item which is below the above Tag price, the lowest selling price you authorize Scheherazade to accept is \$ Call 20% off per cust 8/24/

Customer: \$ _____ Scheherazade: \$ _____ M.J.

4. You agree that Scheherazade, in our sole discretion, reserves the right not to display consignment items during certain promotions, events, etc. Reduce Price to 250 - 11/16/18

Sold cust 150 - store 100 - M.J.

5. You represent, & intend for Scheherazade to rely on the representation, that on the consigned item you currently own, & during the term of the consignment you will maintain primary insurance for the item with:

N/A (Name of Ins. Co.; a Certificate of Insurance is appreciated).

Agreed & signed, this 18th day of Jan, 20 18 at Edina, MN 55435.

By: [Signature]
Scheherazade Authorized Signature

Maxine Jeffris
Consignor Signature: I certify under penalty of perjury that to my knowledge the information above is true & complete, & I am the owner, or have authority of the owner, to sell or pledge the property.

Date Sold: ___/___/___ Receipt # _____ CAMS # 127188 Price Sold For \$ _____

Returned to Consignor Date: ___/___/___ Consignor Signature for Return: _____

Scheherazade Consignment Merchandise Form

Consignor Information:

Name: Maxine Jeffris Phone(s): 612-868-5497Address: 6629 Logan Ave S. Richfield Mn 55423

Email: _____ Other Contact Information: _____

Description of Consigned Item per Consignor (One item per Form): Vintage WB 14K
Dis Ring w/ Ribbon
mot. fValue of Consigned Item per Consignor (what is item insured for?): N/A

Consignment Program Terms:

1. Consignor (hereafter referred to as You) agree to leave your item on consignment for a minimum of 6 months. Also, this item will not be cross-marketed (i.e. eBay), etc. by the consignor or an agent during this time period.

2. You will receive 60% of the price for which the item is sold, & Scheherazade will receive 40%.

NOTE: Scheherazade has a 90 day waiting period between the sale of your item & payment to the consignor. Your share of the selling price will be paid approximately 91 days after the day of the sale.

3. For the item covered by this Agreement, you have authorized a Tag/Selling price of \$ 1,000-

Customer: \$ 600- Scheherazade: \$ 400-

If Scheherazade receives an offer for your item which is below the above Tag price, the lowest selling price you authorize Scheherazade to accept is \$ Call 20% off per Cust 8/24/18

Customer: \$ _____ Scheherazade: \$ _____

4. You agree that Scheherazade, in our sole discretion, reserves the right not to display consignment items during certain promotions, events, etc. Reduce to 500- 11-16-18

Sold Cust 300- Store 200 8/24/18

5. You represent, & intend for Scheherazade to rely on the representation, that on the consigned item you currently own, & during the term of the consignment you will maintain primary insurance for the item with:

N/A (Name of Ins. Co.; a Certificate of Insurance is appreciated).

Agreed & signed, this 18th day of Jan, 20 18 at Edina, MN 55435.

By: [Signature]
Scheherazade Authorized Signature

Maxine Jeffris
Consignor Signature: I certify under penalty of perjury that to my knowledge the information above is true & complete, & I am the owner, or have authority of the owner, to sell or pledge the property.

Date Sold: ___/___/___ Receipt # _____ CAMS # 127186 Price Sold For \$ _____

Returned to Consignor Date: ___/___/___

Consignor Signature for Return: _____

Scheherazade Consignment Merchandise Form

Consignor Information:

Name: Maxine Jeffris Phone(s): 612-868-5497
Address: 6629 Logan Ave S. Richfield Mn 55423
Email: _____ Other Contact Information: _____

Description of Consigned Item per Consignor (One item per Form): 14kg Pearl + Dis King Branch Style

Value of Consigned Item per Consignor (what is item insured for?): N/A

Consignment Program Terms:

1. Consignor (hereafter referred to as You) agree to leave your item on consignment for a minimum of 6 months. Also, this item will not be cross-marketed (i.e. eBay), etc. by the consignor or an agent during this time period.

2. You will receive 60% of the price for which the item is sold, & Scheherazade will receive 40%.

NOTE: Scheherazade has a 90 day waiting period between the sale of your item & payment to the consignor. Your share of the selling price will be paid approximately 91 days after the day of the sale.

3. For the item covered by this Agreement, you have authorized a Tag/Selling price of \$ 1000
Customer: \$ 600 Scheherazade: \$ 400

If Scheherazade receives an offer for your item which is below the above Tag price, the lowest selling price you authorize Scheherazade to accept is \$ Call 20% off per cust 01/24/18
Customer: \$ _____ Scheherazade: \$ _____ MJ

4. You agree that Scheherazade, in our sole discretion, reserves the right not to display consignment items during certain promotions, events, etc. Reduce Price to 500- 11-16-18
unsold cust 300 store 200 - MQ. unsold/held

5. You represent, & intend for Scheherazade to rely on the representation, that on the consigned item you currently own, & during the term of the consignment you will maintain primary insurance for the item with:
N/A (Name of Ins. Co.; a Certificate of Insurance is appreciated).

Agreed & signed, this 18th day of Jan, 20 18 at Edina, MN 55435.

By: [Signature]
Scheherazade Authorized Signature

[Signature]
Consignor Signature: I certify under penalty of perjury that to my knowledge the information above is true & complete, & I am the owner, or have authority of the owner, to sell or pledge the property.

Date Sold: ___/___/___ Receipt # _____ CAMS # 127185 Price Sold For \$ _____

Returned to Consignor Date: ___/___/___

Consignor Signature for Return: _____

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Scheherazade, Inc.,

Chapter 7
BKY 19-40658

Debtor.

RECEIPT

Received from the Trustee of Scheherazade, Inc, the following:

Pearl Ring Cluster

Dated: 5-9-19

Martine Jeffries
Name: Print Martine Jeffries
Address: 6629 Logan Ave S.
Richfield MN
Telephone: 55423

2/12/18 KC

Scheherazade Consignment Merchandise Form

Consignor Information:

Name: Maxine Jeffris Phone(s): 612-868-5497
Address: 6629 Logan Ave S. Richfield MN 55423
Email: _____ Other Contact Information: _____
Description of Consigned Item per Consignor (One item per Form): 14kg Pearl + Dis Ring
Branch Style

Value of Consigned Item per Consignor (what is item insured for?): N/A

Consignment Program Terms:

1. Consignor (hereafter referred to as You) agree to leave your item on consignment for a minimum of 6 months. Also, this item will not be cross-marketed (i.e. eBay), etc. by the consignor or an agent during this time period.

2. You will receive 60% of the price for which the item is sold, & Scheherazade will receive 40%.

NOTE: Scheherazade has a 90 day waiting period between the sale of your item & payment to the consignor. Your share of the selling price will be paid approximately 91 days after the day of the sale.

3. For the item covered by this Agreement, you have authorized a Tag/Selling price of \$ 1000
Customer: \$ 600 Scheherazade: \$ 400

If Scheherazade receives an offer for your item which is below the above Tag price, the lowest selling price you authorize Scheherazade to accept is \$ Call 20% off per Cust 0/24/18
Customer: \$ _____ Scheherazade: \$ _____ MG

4. You agree that Scheherazade, in our sole discretion, reserves the right not to display consignment items during certain promotions, events, etc. Reduce Price to 500 11-16-18

Cust 300 store 200 - MG

5. You represent, & intend for Scheherazade to rely on the representation, that on the consigned item you currently own, & during the term of the consignment you will maintain primary insurance for the item with:
N/A (Name of Ins. Co.; a Certificate of Insurance is appreciated).

Agreed & signed, this 18th day of Jan, 20 18 at Edina, MN 55435.

By: [Signature]
Scheherazade Authorized Signature

Maxine Jeffris
Consignor Signature: I certify under penalty of perjury that to my knowledge the information above is true & complete, & I am the owner, or have authority of the owner, to sell or pledge the property.

Date Sold: ___/___/___ Receipt # _____ CAMS # 127185 Price Sold For \$ _____

Returned to Consignor Date: ___/___/___

EXHIBIT B
Consignor Signature for Return: _____

VERIFICATION

I, Nauni Manty, the trustee and movant named in the foregoing notice of hearing and motion, declare under penalty of perjury that the facts contained in the foregoing motion are true and correct to the best of my knowledge, information and belief.

Dated: April 2, 2020



Nauni Manty, Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: BKY 19-40658
Chapter 7
Scheherazade, Inc,
Debtor.

UNSWORN CERTIFICATE OF SERVICE

I declare under penalty of perjury that on April 2, 2020, I caused copies of the following documents to be filed electronically with the Clerk of Court through ECF, and that ECF will send an e-notice of the electronic filing to the ECF participants:

**Notice of Hearing and Motion Objecting to Claim of Maxine Jeffris, Verification,
Proposed Order and this Unsworn Certificate of Service,**

I further declare that I caused copies of the foregoing documents to be mailed by first class mail, postage prepaid, to the following non-ECF participants:

Maxine Jeffris
6629 Logan Ave S
Richfield, MN 55423

Scheherazade, Inc.
3181 West 69th St
Edina, MN 55435

Robert K Dakis
Morrison Cohen, LLP
909 Third Ave
New York, NY 10022

David J Kozlowski
Morrison Cohen, LLP
909 Third Ave
New York, NY 10022

Joseph T Moldovan
Morrison Cohen, LLP
909 Third Ave
New York, NY 10022

Wells Fargo Vendor Financial Serv, LLC fka
GE Capital Information Tech Solutions
c/o a Ricoh USA Program fdba Ikon Financ
PO Box 13708
Macon, GA 31208-3708

Dated: April 2, 2020

/e/ Kevin Carnahan
Kevin Carnahan, Legal Assistant
Manty & Associates, P.A.
401 Second Avenue North, Suite 400
Minneapolis, Minnesota 55401

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: BKY 19-40658
Chapter 7
Scheherazade, Inc,
Debtor.

ORDER

This matter came on before this court on the motion of the chapter 7 trustee objecting to the claim of Maxine Jeffris, Claim No. 48. Based upon all of the files, records and proceedings herein,

IT IS ORDERED: that the trustee's objection to the claim of Maxine Jeffris is sustained and the claim is reduced to \$450.

Dated:

Kathleen H. Sanberg
United States Bankruptcy Judge